## CIA HISTORICAL REVIEW PROGRAM RELEASE AS SANITIZED

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TO:

FROM:

DATE:

Clas

Exec

DG/P

C/P

I disagree with Mr. \_ recommendations. There is no MMMM evidence that Arbenz wants to "save" his regime by removing key communists. Fortuny holds no govt jub: therefore, even if he were removed (as he apparently is not), this would not change composition of govt. Moreover, I doubt whether Moscow permits Arbenz such move which might make communists "lose fach".

Asking for a trial, banishment or deportation of the communist leaders would be utterly unrealistic, to say the least. After all, the communists and their allies represent an overwhelming majority in Guat congress. Nothing short of the unconditional overthrow of the Arbenz regime will serve our purpose. such "demands" may lead to negotiations -- which seems to be exactly what Arbenz' commie advisers want.

In this connection : the frequent conferences between Amb. Peuryfoy & Toriello may help to strengthen the impression that the U.S. wants to negotiate with the regime. It might be impracticable to ask for the Ambassador's temporary withdrawal, but at least he should play "hard to get", communicate by note and see a Guat Minister only at the latter's request ( a fact to be made clear by official release, to set the minds of our friends in Guat at ease -namely, that they will not be sold down the river in a diplomatic compromise ).

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1 June 1954

MEMORANDUM FOR: Mr. Tracy Barnes

SUBJECT:

Recommended Action Anticipating
Pretended Reformation of Government

l. We have all, for sometime, recognized the possibility of and the problems which would arise from a removal from the Government of certain key Communist leaders which action would be followed up by an appeal to world opinion claiming non-Communism on the part of the Guatemalan Government. Such a Panmunjom operation would have unfavorable affects on PBSUCCESS and would confront this Government with real problems unless, and it is not likely, that the purging be taken fully and in sincerity.

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- 2. The removal of Fortuny was at first thought to be a step in this direction; however, this seems now unlikely in view of Fortuny's temporary replacement by Communist Alvardo Montones. None the less, WH will PW-wise treat the Fortuny "departure" as an example of a false purge.
- 3. Should such a purge become fact, it will be necessary for this Government to decide what are the actions we would recognize as representing definitive sincerity. Current thinking is that we should be satisfied with nothing less than trial by the Guatemalan Government of the Communist leaders with the prerequisite understanding that the maximum punishment allowable under Guatemalan law be administered.
- 4. To anticipate this possibility, it is suggested that SHERWOOD and RUFUS may now take a position alleging the Fortuny departure to be part of a ruse. At the same time Calligeris should make it clear that he and world opinion will not be taken in by this Panmunjom and that the very least move the Government could make that would be creditable would be the public expulsion and banishment of the Communist leaders and that Soviet Russia should, through diplomatic channels, be publicly requested to receive the deported Communists.

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